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BEFORE THE DEPT. OF TRANSPORTATION
U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

DEPT. OF TRANSPORTATION
ROCKETS

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Application of

AMERICA WEST AIRLINES, INC.

for an exemption under 49 U.S.C. § 40109
(San Francisco, California (SFO) – San Jose Cabo, aka
Los Cabos (SJD), Mexico)

Docket OST-2003-16592-1

**APPLICATION OF AMERICA WEST AIRLINES
FOR AN EXEMPTION**

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December 1, 2003

NOTICE: Answers to this Application are due by December 15, 2003.

**BEFORE THE
U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Application of

AMERICA WEST AIRLINES, INC.

for an exemption under 49 U.S.C. § 40109
(San Francisco, California (SFO) – San Jose Cabo, aka
Los Cabos (SJD), Mexico)

Docket OST-2003-_____

**APPLICATION OF AMERICA WEST AIRLINES
FOR AN EXEMPTION**

Pursuant to 49 U.S.C. § 40109 and Subpart C of the Department of Transportation (“Department”) Procedural Rules, 14 C.F.R.. § 302.301 *et seq.*, America West Airlines, Inc. (“America West”) respectfully requests an exemption effective for at least two years from 49 U.S.C. § 41101 and any other relief necessary to authorize it to operate nonstop service between San Francisco, California (SFO) and San Jose Cabo, Mexico (SJD). America West plans to start selling these services on January 1, 2004 and commence operations on May 1, 2004 and requests the exemption be granted to be effective on or before January 1, 2004 to enable the Company to effectively marketing and sales activities.

In support of this application, America West states the following:

1. America West seeks an exemption authorizing it to serve the SFO - SJD market for at least two years. America West plans to commence marketing the SFO – SJD service on January 1, 2004, and to initiate the service on May 1, 2004. Accordingly, America West

requests the exemption be granted to be effective on or before January 1, 2004 to allow the Company to pursue marketing and sales activities. America West will operate daily service using A-319 or similar aircraft on the following schedule:

SFO – SJD:	0955 - 1350
SJD – SFO:	1430 - 1645

2. America West is a Delaware corporation with its principal business address at 4000 East Sky Harbor Boulevard, Phoenix, Arizona 85034. America West is a citizen of the United States as defined by 49 U.S.C. § 40102(a)(15) and 14 C.F.R. § 204.2(c). Its President and at least two-thirds of its Board and other managing officers are U.S. citizens, and more than 75 percent of the voting interest in the Company is owned or controlled by U.S. citizens. America West holds authority from the Department to engage in interstate, overseas and foreign scheduled combination air transportation. See, e.g., Orders 83-7-111, 89-10-2 and 95-9-16.

3. America West has held authority to serve markets in Mexico for nearly a decade, authority which the Department has periodically renewed and expanded. Specifically, the Department has granted America West exemption authority to provide service between Las Vegas, Nevada (“LAS”) and Mexico City, and between Phoenix (“PHX”) and San Jose Cabo, Mazatlan, Mexico City, Puerto Vallarta, Manzanillo, Acapulco, Ixtapa/Zihuatanejo, and Cancun. See OST Docket No. 95-736. In addition, America West holds exemption authority to provide codeshare service from PHX to Guadalajara and PHX to Monterrey. See Notice of Action Taken, Docket No. OST-2003-14394 (February 26, 2003), Notice of Action Taken, Docket No. OST 2003-15494 (July 9, 2003).

4. Grant of this Application is clearly supported by the Bilateral. Under Paragraph 4, Section B, Annex I of the Bilateral, up to two designated U.S. carriers may operate scheduled combination services on any nonstop U.S.-Mexico city pair route. Only one U.S. carrier is currently designated in the requested city pair.

5. The authority requested will enable America West to meet the traveling public's demand for nonstop service in this market and enhance connecting opportunities for travel from the North East. Grant of this exemption authority is clearly in the public interest, as it provides important service and competitive options on a U.S. air carrier for the travelling public.

6. America West's service between the U.S. and Mexico is an integral contributor to the growth of travel and trade between the two countries. Allowing the inauguration of America West service in these markets fulfills the Department's objective of providing route rights in limited entry markets to carriers which maximize service benefits to be realized under a given bilateral agreement.¹

7. Grant of this Application will have no impact on America West's CRAF commitments.

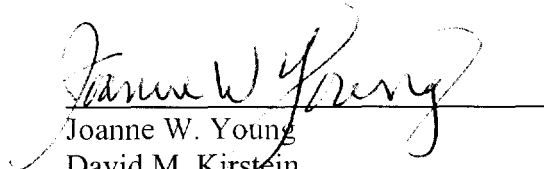
WHEREFORE, America West respectfully requests that the Department issue as soon as possible an order granting America West an exemption for at least two years from 49 U.S.C.

¹ See, e.g., *U.S.-Toronto Service Proceeding*; *U.S.-Toronto Second Year Service Proceeding*; *Pittsburgh-Toronto Air Services*, Order 96-5-21, 1996 *U.S.-Italy Service Proceeding*, Order 96-4-23, *U.S.-Toronto Service Proceeding*, Order 95-5-11.

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§ 41101 and any other relief necessary to authorize America West to provide service between
SFO and SJD.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joanne W. Young", is written over a horizontal line.

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December 1, 2003

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application was on this 1st day of December 2003 served by first-class mail, postage prepaid, or electronic mail on all the parties listed below.



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